

Appendix

Example of Calculation of Repo Transaction Settlement Value

1. Repo SBI Transaction Settlement

On January 21, 2008, Bank "A" submitted a Repo using 1 month SBI of IDBI14020828C series of 10,000 units, with a nominal value of Rp10 billion, Repo rate of 11.00%, price of 99.46950%, and Hair Cut of 0% (as announced in the BI-SSSS).

Selling settlement value (first leg)

$$\begin{array}{l} \text{First Leg} \\ \text{Settlement} \\ \text{Value} \end{array} = \begin{array}{l} \text{Nominal Value} \\ \text{of SBI under Repo} \end{array} \times (\text{SBI Price} - \text{Hair Cut})$$

$$\text{Rp}10,000,000,000.00 \times (99.46950\% - 0\%) = \text{Rp}9,946,950,000.00$$

Repurchasing settlement value (second leg)

$$\begin{array}{l} \text{Second Leg} \\ \text{Settlement} \\ \text{Value} \end{array} = \begin{array}{l} \text{First Leg} \\ \text{Settlement} \\ \text{Value} \end{array} + \begin{array}{l} \text{Repo Transaction} \\ \text{Interest Value} \end{array}$$

$$\text{Rp}9,946,950,000.00 + \left[\text{Rp}9,946,950,000.00 \times \frac{11.00\% \times 1}{360} \right] = \text{Rp}9,949,989,345.83$$

2. Repo SUN Transaction Settlement

On January 21, 2008, Repo rate at 11.00%, Bank "A" submitted a Repo using SUN with types and series as follows.

- a. ON of FR0010 series of 20,000 units, with a nominal value of Rp20 billion, price of 109.16580%, accrued interest of Rp940,014,000.00, and Hair Cut for ON with coupon system of 5.00000% (as announced in the BI-SSSS).

Selling settlement value (first leg)

$$\begin{array}{l} \text{First Leg} \\ \text{Settlement} \\ \text{Value} \end{array} = \left(\begin{array}{l} \text{Nominal Value} \\ \text{of ON under Repo} \end{array} \times (\text{Price} - \text{Hair Cut}) \right) + \begin{array}{l} \text{Accrued} \\ \text{Interest} \end{array}$$

$$[\text{Rp}20,000,000,000.00 \times (109.16580\% - 5\%)] + \text{Rp}940,014,000.00 = \text{Rp}21,773,174,000.00$$

Repurchasing settlement value (second leg)

$$\begin{array}{l} \text{Second Leg} \\ \text{Settlement} \\ \text{Value} \end{array} = \begin{array}{l} \text{First Leg} \\ \text{Settlement} \\ \text{Value} \end{array} + \begin{array}{l} \text{Repo Transaction} \\ \text{Interest Value} \end{array}$$

$$\text{Rp}21,773,174,000.00 + \left[\text{Rp}21,773,174,000.00 \times \frac{11.00\% \times 1}{360} \right] = \text{Rp}21,779,826,914.28$$

b. ON ...

- b. ON of ZC0001 (zero coupon bond) series of 5,000 units, with a nominal value of Rp5 billion, price of 93.61530%, and Hair Cut of 0% (as announced in the BI-SSSS).

Selling settlement value (first leg)

$$\begin{array}{lcl} \text{First Leg} & & \\ \text{Settlement} & = & \text{Nominal Value} \\ \text{Value} & & \text{of ZCB under Repo} \end{array} \times (\text{ZCB Price} - \text{Hair Cut})$$

$$\text{Rp5,000,000,000.00} \times (93.61530\% - 0\%) = \text{Rp4,680,765,000.00}$$

Repurchasing settlement value (second leg)

$$\begin{array}{lcl} \text{Second Leg} & = & \text{First Leg} \\ \text{Settlement} & & \text{Settlement} \\ \text{Value} & & \text{Value} \end{array} + \begin{array}{l} \text{Repo Transaction} \\ \text{Interest Value} \end{array}$$

$$\text{Rp4,680,765,000.00} + \left[\text{Rp4,680,765,000.00} \times \frac{11.00\% \times 1}{360} \right] = \text{Rp4,682,195,233.75}$$

- c. SPN of SPN2008052801 series of 5,000 units, with a nominal value of Rp5 billion, price of 97.69464%, and Hair Cut of 0% (as announced in the BI-SSSS).

Selling settlement value (first leg)

$$\begin{array}{lcl} \text{First Leg} & & \\ \text{Settlement} & = & \text{Nominal Value} \\ \text{Value} & & \text{of SPN under Repo} \end{array} \times (\text{SPN Price} - \text{Hair Cut})$$

$$\text{Rp5,000,000,000.00} \times (97.69464\% - 0\%) = \text{Rp4,884,732,000.00}$$

Repurchasing settlement value (second leg)

$$\begin{array}{lcl} \text{Second Leg} & = & \text{First Leg} \\ \text{Settlement} & & \text{Settlement} \\ \text{Value} & & \text{Value} \end{array} + \begin{array}{l} \text{Repo Transaction} \\ \text{Interest Value} \end{array}$$

$$\text{Rp4,884,732,000.00} + \left[\text{Rp4,884,732,000.00} \times \frac{11.00\% \times 1}{360} \right] = \text{Rp4,886,224,557.00}$$